

## Message Text

CONFIDENTIAL

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46/41

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
----- 090651

O R 131330Z OCT 75  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC IMMEDIATE 4121  
INFO AMEMBASSY CARACAS

C O N F I D E N T I A L PARIS 26526

EXDIS

C O R R E C T E D C O P Y (CORRECTION CLASS CONFIDENTIAL VICE LOU)

FOR THE DEPUTY SECRETARY, MAW, LEIGH, ROGERS, AND  
BOEKER FROM ENDERS AND SCHWEBEL

E.O. 11652: GDS  
TAGS: ENRG, VE  
SUBJECT: VENEZUELAN OIL NATIONALIZATION

1. OUR VIEWS ON REQUEST OF GULF OIL COMPANY FOR  
IMMEDIATE INDICATION TO IT OF WHETHER USG PLANS TO  
COMMUNICATE TO GOVERNMENT OF VENEZUELA ITS  
RESERVATION OF RIGHTS IN RESPECT OF OIL NATIONALIZATION  
FOLLOW.

2. WE RECOMMEND THAT AMBASSADOR SHLAUDEMAN BE  
INSTRUCTED NOW TO INFORM GOV THAT (A) USG IS  
CONCERNED TO LEARN THAT, IF ITS INFORMATION IS  
CORRECT, GOV IS REQUESTING THAT COMPANIES NOW AGREE  
TO TERMS OF CLAUSES 6 (QUIT CLAIM) AND 7 (CALVO  
CLAUSE) OF DRAFT COMPENSATION AGREEMENT BEFORE THE  
COMPANIES HAVE REACHED AGREEMENT WITH GOV ON (I)  
AMOUNTS OF COMPENSATION FOR NATIONALIZED ASSETS;  
(II) ONGOING TECHNICAL ASSISTANCE CONTRACS; AND  
(III) OFFTAKE ARRANGEMENTS; (B) IN VIEW OF USG, ANY  
SUCH CLAUSES AFFECTING THE RIGHTS OF THE COMPANIES,  
IF TO BE CONSIDERED AT ALL, SHOULD BE CONSIDERED  
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ONLY AT A POINT WHEN AGREEMENT HAS BEEN REACHED ON

THE THREE ELEMENTS OF COMPANY-GOV RELATIONSHIPS  
SPECIFIED, INCLUDING AMOUNT OF COMPENSATION TO BE PAID.

3. WE SO RECOMMEND BECAUSE, RATHER THAN ATTEMPTING  
TO BUCK UP RESISTANCE BY COMPANIES TO THE GOV  
DEMANDS ON QUIT CLAIM AND CALVO CLAUSES BY  
COMMUNICATIONS TO COMPANIES, WE THINK IT PREFERABLE  
TO MAKE USG VIEWS DIRECTLY KNOWN TO GOV. WE DO NOT  
REGARD SUCH A REPRESENTATION AS INAPPROPRIATE  
INTERVENTION IN THE NEGOTIATIONS BETWEEN THE COMPANIES  
AND THE GOVERNMENTS, BECAUSE CLEARLY THE QUIT CLAIM  
AND CALVO CLAUSES BEAR ON RIGHTS OF USG UNDER  
INTERNATIONAL LAW.

4. IF DEPARTMENT ACCEPTS RECOMMENDATION OF PARA 2  
THIS MESSAGE, GULF AND EXXON AND AS APPROPRIATE OTHER  
U.S. CONCESSIONAIRES SHOULD BE SO INFORMED AS SOON  
AS DEMARCHE IS MADE.

5. HOWEVER, WE SHOULD NOW RESPOND TO GULF THAT,  
PARTICULARLY IN VIEW OF UNCERTAINTIES OF TIMING OF  
ANY U.S. STATEMENT TO GOV RESERVING ITS RIGHTS  
UNDER INTERNATIONAL LAW, WE CANNOT GIVE IT A  
COMMITMENT NOW ON MAKING OF A USG RESERVATION.  
COMMENT: THIS HAS ADVANTAGE OF NOT INDUCING GULF  
TO ACCEPT GOV DEMANDS IN BELIEF USG STATEMENT WILL  
CURE THEM.

6. WE SHOULD ALSO INFORM GULF AND ARAMCO STOCKHOLDERS  
THAT USG SHOULD BE KEPT CLOSELY INFORMED OF  
PROSPECTIVE TIMING OF SIGNATURE OF KUWAITI AND  
SAUDI PARTICIPATION ARRANGEMENTS.

7. WE WOULD APPRECIATE REPORT OF AMBASSADOR  
SHLAUDEMANN'S ALREADY AUTHORIZED DEMARCHE AND  
OTHER RELEVANT CABLE TRAFFIC BEING REPEATED TO US  
IN PARIS.  
RUSH

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Decaption Date:** 28 MAY 2004  
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**Status:** NATIVE  
**Subject:** VENEZUELAN OIL NATIONALIZATION  
**TAGS:** ENRG, VE, US  
**To:** STATE  
**Type:** TE  
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